

PATENT

Application No.: 09/536,791
Attorney Docket No.: 99-086**REMARKS**

Prior to entry of this Amendment:

- Claims 1-20 were pending in the present application
- Claims 1-20 stand rejected

Upon entry of this Amendment, which is respectfully requested for the reasons set forth below:

- Claims 1-40 will be pending (40 claims total)
- Claims 7, 12, and 15 will be amended
- Claims 1, 15-17, 19-21, and 34 will be the only independent claims (8 independent claims)

Specification Amendments

The present Specification has been amended on page 18 to include material literally that was previously incorporated by reference to U.S. Provisional Application Serial No. 60/168,370. The new paragraph now recites a definition of *proxy agreement* provided at page 4 of the referenced application. The present Specification also now literally describes one embodiment of the present invention in which a proxy agreement is received (described in the referenced application at page 6).

No new matter has been added by this amendment, as identical matter was previously and properly incorporated by reference.

A minor typographical error noted by the Examiner has also been corrected at page 15, line 24. Applicants are grateful for the Examiner's notice of this error.

Claim Amendments

Claims 7, 12, and 15 have been amended. Applicants respectfully submit that all of Claims 7, 12, and 15 were in compliance with Section 112 as originally filed. No new matter has been added by these amendments, and no amendment was made for any reason relating to patentability.

Claim 7 has been amended only to clarify that *the information identifying the substitute collection technique includes information specifying at least one of....*

Claim 15 has been amended only to correct a minor and obvious typographical error: the reference to a "first" application has been corrected.

Claim 12 has been amended merely to clarify that only one of the two *crediting* steps is performed (based on whether the analysis performed indicates approval or refusal of the application).

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Section 112 Rejection of Claim 6

Applicants respectfully traverse the Examiner's Section 112 rejection of Claim 6 and the assertion that the feature *proxy agreement* is not supported in the Specification. As discussed above, the present application properly incorporates by reference all of the content of Application No. 60/168,370, which describes *proxy agreement* in accordance with Section 112. [See, e.g., pages 4-6 of 60/168,370].

As discussed above, however, the present Specification has been amended and now literally provides a definition of *proxy agreement* and one exemplary embodiment of the present invention in which a *proxy agreement* is received, as generally recited in Claim 6. Accordingly, the Section 112 rejection of Claim 6 is moot. Applicants respectfully request that the rejection be withdrawn.

If the Examiner has any additional concerns regarding the support of *proxy agreement*, please contact Mike Downs at the earliest convenience.

Brief Description of Claims 1-20

Various embodiments of the present invention allow a first entity (e.g., a seller) to submit an application for a financial account and also to authorize a payment to be made to a financial account of the first entity by providing either:

- (i) *an authorization to have an amount paid to the financial account applied for*, as generally recited in independent Claims 17, 19, and 20; or
- (ii) *an authorization to have an amount credited to the financial account applied for*, as generally recited in independent Claims 1 and 16.

According to various embodiments of the present invention, a transaction may involve a first entity (e.g., a seller) who is to receive a payment (e.g., from a buyer, from an intermediary through whom items are sold). According to some exemplary embodiments of the present invention, a method for conducting a transaction preferably includes a second entity (e.g., an Internet advertising site, a controller) receiving **authorization to make a payment to a first entity** (e.g., a seller of an item) via a new financial account applied for by the first entity. The second entity also receives information about an alternative vehicle for providing payment to the first entity (e.g., in case the application is declined). [See, e.g., Specification, page 4, lines 26-30; page 5, lines 25-32; page 14, lines 13-15; page 16, lines 5-7 and 21-25].

In one example, a payment to be received by a seller from an Internet advertising site may be based on a sale of an item put up for sale by the seller on the site. In some embodiments, the Internet site may generate additional revenue by establishing a relationship with a financial institution where the Internet site receives a referral fee, or bounty, from the financial institution for each successful new account applicant referred to the financial institution by the Internet site. [See, e.g., Specification, pages 5-6]. In another example, the payment to be made to the seller may be based on a return of a product previously purchased from a merchant (whereby the customer then "sells" the product back to the merchant). [See, e.g., Specification, page 17, line 30 to page 18, line 7].

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According to one or more embodiments of the present invention, a transaction is finalized after an application for a financial account and information about a substitute collection technique are received. An authorization to pay an amount to the financial account applied for (or to credit an amount to that financial account) is also received. [See, e.g., independent Claims 1, 16, 17, 19, and 20].

In some embodiments, *finalizing the transaction* may comprise *crediting the first amount to the account applied for if the application is approved*, as generally recited in Claims 8, 9, and 12. In other embodiments, *finalizing the transaction* may comprise *crediting a second amount (e.g., that is less than the first amount) to a substitute form of collection if the application is declined*, as generally recited in Claims 10 and 12.

In some embodiments, *a first amount is determined for payment to the financial account if the application for the financial account is approved, and a second amount is determined for payment using the substitute collection technique if the application is rejected*, as generally recited in Claim 15. For example, a first payment amount may include an incentive amount for applying for and / or being approved for the financial account. In some embodiments, *the second payment amount does not include an incentive amount*, as generally recited in Claims 11 and 13. Thus, an individual who is to receive a payment (e.g., a seller) would have an incentive to apply for a new financial account in order to receive an incentive amount (e.g., in addition to receiving any amount due from a sale or product return). [See, e.g., Specification, page 4, lines 32-33].

Buchanan Reference

U.S. Patent No. 5,950,179 issued to Buchanan et al. ("Buchanan") describes a system generally directed to a system for issuing a credit card secured by a savings account. A customer requests a secured credit card account and also agrees to make a deposit to a savings account to secure the credit card. If the application is accepted, a credit card account with an initial credit limit is created for the customer before the required deposit is made. If the customer makes the required deposit to secure the credit card account, a new credit limit may be determined. [See, Column 1, lines 5-8 and 55-67; Column 3, lines 1-39].

Lalonde Reference

U.S. Patent No. 5,477,040 issued to Lalonde ("Lalonde") describes a system generally directed to a system in which a holder of a plurality of separate charge cards issued by a plurality of different charge card issuers uses a charge card selector card to charge a transaction. The charge transaction is charged to the predetermined charge cards of the card holder in accordance with the card holder's predetermined preference or altered preference, interest rates and credit limits on particular charge cards, and promotions of charge card issuers. [Column 3, lines 22-36]. The selected charge card issuer transmits data to the point of sale indicating whether the charge transaction is authorized. [See, e.g., Column 10, lines 7-18]. According to one embodiment: "Should a credit authorization be refused by a preferred charge card issuer, the preference is switched to the next preferred charge card issuer until authorization is obtained." [Column 10, lines 42-44].

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Attorney Docket No.: 99-086**Section 102(a) Rejection**

Claims 1-5, 7-9, and 16-19 stand rejected under 35 U.S.C. 102(a) as being anticipated by Buchanan. Applicants respectfully traverse the Examiner's Section 102(a) rejection.

Applicants respectfully submit that the Examiner has failed to establish a *prima facie* case of anticipation of Claims 1-5, 7-9, and 16-19.

1. Independent Claims 1, 16, 17, and 19

Applicants respectfully submit that Claims 1, 16, 17, and 19 are not anticipated by Buchanan.

1.1. Buchanan does not teach receiving an authorization to pay [or to credit] an amount to a financial account for which an application is also received

The Examiner asserts that Buchanan teaches subject matter suggesting *receiving an application for a financial account and an authorization to pay [or to credit] an amount to that same financial account*. [Office Action, page 2]. Applicants respectfully traverse this assertion.

As discussed above, Buchanan describes a system in which an application for a credit card is received. Applicants have reviewed Buchanan, however, including the portions cited by the Examiner (Column 3, lines 4-11), but cannot identify any hint of *an authorization to pay [or to credit] an amount to the same account being applied for*.

As best understood by Applicants, the Examiner is asserting that requesting a credit card account that will have a credit limit teaches *an authorization to pay [or to credit] an amount to a financial account*. If this understanding is correct, Applicants respectfully disagree with the Examiner's unconventional characterization of the establishment of a line of credit. Applicants respectfully submit that creation of a "credit limit" does not suggest the *payment [or crediting] of an amount to an account*. It is conventional to describe the act of paying or transferring an amount of funds to an account as "to credit the account" or "crediting the account." For instance, if a deposit is made to a savings account, such a payment may be described conventionally as a "credit to the account" (as opposed to a debit to the account).

As indicated by the claims and in light of the Specification, Applicants have generally used the expression, *to pay [or to credit] an amount to an account*, in describing the providing of an amount of funds to an account to pay an individual. [See, e.g., Specification, page 6, lines 3-4]. In contrast, establishing a "credit limit" does not fairly suggest *to pay [or to credit] an amount to an account*, as it does not suggest payment to an account or entity. A "credit limit" also does not suggest *a payment amount credited to an account*, as generally recited in independent Claim 16.

If, on the other hand, Applicants' understanding of the basis for the Examiner's rejection of independent Claims 1, 16, 17, and 19 is incorrect, Applicants respectfully request that the Examiner clarify the basis for the Section 102(a) rejection.

Buchanan is devoid of any hint or suggestion of *receiving an application for a financial account and an authorization to pay [or to credit] an amount to the same financial account*. The specific passage cited by the Examiner describes entering information about a candidate for a

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credit card into an application processing system, after receiving an indication that a candidate wishes to receive a credit card and also "agrees to make a deposit in a savings account." [Column 3, lines 1-11]. Thus, the candidate in the Buchanan system applies for a credit card account, but agrees to make a deposit to a different account—a savings account.

Also, the candidate in Buchanan does not provide (to the same entity receiving the application) an *authorization* to pay (or to credit) any amount to either of the described savings account or new credit card account. To the contrary, the candidate agrees to make the deposit to the savings account himself. [Column 3, lines 1-11].

Accordingly, Buchanan does not suggest any of the features of:

- *receiving an application for a financial account and an authorization to pay a first amount to the financial account*

as generally recited in Claims 17 and 19;

- *receiving an application for a financial account and an authorization to credit a payment amount to the financial account*

as recited in Claim 16 (emphasis added); or

- *receiving an application for a financial account and an authorization to credit a first amount to the financial account*

as recited in Claim 1.

1.2. No need in Buchanan for receiving an authorization to pay [or to credit]

There is no suggestion in Buchanan that the institution receiving the application in the Buchanan system is to pay or credit any amount to the applicant. To the contrary, the Buchanan system requires the depositing of funds to secure a credit card. Accordingly, there is no suggestion of the desirability of paying or crediting any amount to the candidate, much less a need for receiving an authorization to do so.

Applicants respectfully submit that independent Claims 1, 16, 17, and 19 contain allowable subject matter. Claims 2-5 and 7-9 are dependent from Claim 1; Claim 18 depends from Claim 17. The Examiner's reconsideration of the Section 102(a) rejection of Claims 1-5, 7-9 and 16-19 is respectfully requested.

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Application No.: 09/536,791
Attorney Docket No.: 99-086**Section 103(a) Rejection****1. Claim 6**

Applicants respectfully submit that the Examiner has failed to establish a *prima facie* case of obviousness of Claim 6.

Claim 6 stands rejected under 35 U.S.C. 103(a) as being unpatentable over Buchanan. Applicants respectfully traverse the Examiner's Section 103(a) rejection of Claim 6.

Claim 6 depends from Claim 1, and Applicants respectfully submit that Claim 6 is allowable for at least the same reasons as stated above with respect to Claim 1. In particular, Buchanan does not teach or suggest receiving *an authorization to credit an amount to the same financial account for which an application was received*, as generally recited in Claim 1, much less *wherein the authorization includes a proxy agreement*, as recited in Claim 6.

It is Applicants' understanding that the Examiner believes that *a proxy agreement* is inherent in and / or would be obvious to incorporate into the Buchanan system. The Examiner states: "It is inherent that a proxy agreement will exist given that the customer is authorizing the bank to act on their [sic] behalf." The motivation for providing such a modification would be "to designate the bank to act on behalf of the customer in making payments." [Office Action, page 4 (emphasis added)]. Applicants respectfully traverse all of these assertions.

Based on the Examiner's statements, Applicants respectfully submit that the Examiner has inadvertently misread the plain language of the claim: As discussed above with respect to Claims 1, 16, 17, and 19, the authorization received is not to make a payment on behalf of the party applying (e.g., a payment from the applicant). To the contrary, it is *an authorization to credit an amount to the account* (e.g., to the applicant).

Applicants also respectfully submit that Buchanan is devoid of any hint or suggestion of the desirability of receiving such an authorization, much less *an authorization that includes a proxy agreement*

that allows the merchant to make payments to the appropriate form of collection. A proxy agreement is a contract to which a payment recipient agrees that allows the system to determine the appropriate payment(s) and make these payments to the appropriate account after the financial application decision has been received.

[See Amendment to Specification above].

Applicants respectfully submit that Buchanan does not teach or suggest all of the features of Claim 6. Applicants respectfully request the Examiner's reconsideration of the Section 103(a) rejection of Claim 6.

2. Claims 10-13 and 15

Applicants respectfully submit that the Examiner has failed to establish a *prima facie* case of obviousness of Claims 10-13 and 15.

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Claims 10, 12, and 15 stand rejected under 35 U.S.C. 103(a) as being unpatentable over Buchanan in view of Lalonde. Claims 11 and 13 stand rejected under 35 U.S.C. 103(a) as being unpatentable over Buchanan in view of Lalonde and U.S. Patent No. 5,945,653 issued to Walker et al. ("Walker"). Applicants respectfully traverse the Examiner's Section 103(a) rejections of Claims 10-13 and 15.

2.1. Buchanan does not teach or suggest receiving an authorization to pay [or to credit] an amount to a financial account for which an application is also received

Claims 10 and 12 depend from Claim 1 and are believed to be patentable for at least the reasons stated above with respect to Claim 1. In particular, Buchanan does not teach or suggest receiving an authorization to credit an amount to the same financial account for which an application was received, as generally recited in Claim 1. Lalonde does not teach or suggest such a feature, and the Examiner does not assert otherwise.

2.2. Lalonde does not teach or suggest paying [or crediting] an amount using a substitute collection technique if an application for a financial account is refused

As conceded by the Examiner, there is no suggestion in Buchanan of paying or crediting an amount using a substitute form of collection if an application for a financial account is declined. [Office Action, page 4].

It appears that the Examiner may have inadvertently misread Lalonde and / or the plain language of features generally directed to *paying a payment amount or crediting an amount to an account*. The Examiner asserts that such recited features have the clearly opposite meaning of *making a charge against an account*.

For example, the Examiner asserts that Lalonde teaches "to credit a substitute form of collection by a second amount." Applicants respectfully traverse this assertion. [Office Action, page 5]. In fact, Lalonde, as discussed above, teaches charging an amount to a second charge card account if a credit authorization is refused on a first charge card account. Thus, Lalonde is concerned with charging (not crediting or paying) amounts to an account.

Further, contrary to the Examiner's assertion, Lalonde does not even remotely suggest crediting or paying an amount via a substitute form of collection *if an application for a financial account is rejected, refused, or declined*. Applicants have carefully reviewed Lalonde, including the cited portion (Column 10, lines 30-36 and 42-50), and can find no hint of such a feature. The cited subject matter has nothing to do with an application for a financial account, only a refusal to authorize a charge against an already-established charge card account. [See Column 10, lines 30-50].

Thus, neither Lalonde nor Buchanan, alone or in combination, teaches or suggests any of the features generally directed to:

- *determining a second payment amount to be paid using the substitute collection technique if the application for a financial account is rejected*

as recited in independent Claim 15);

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- *declining an application for a financial account and crediting a second amount using a substitute form of collection*

as recited in independent Claim 10; and

- *crediting a second amount using the substitute collection technique if the analysis indicates a refusal of the application*

as recited in independent Claim 12.

2.3. No motivation to combine Buchanan and Lalonde

The asserted motivation, "to ensure that payment may be made in case funds are not sufficient in one account," would not suggest the desirability of *crediting or paying an amount an account*. To the contrary, such a motivation would suggest an alternative for charging an amount to an account.

Thus, contrary to the Examiner's assertion, there is no motivation in the cited references to modify the Buchanan system to provide for *crediting an amount to a substitute form of collection if the application for the financial account is declined*. In fact, in the Buchanan system, if an application for a credit card is declined, there is no suggestion in the evidence of record as to why the institution receiving the application would pay or credit any amount to the applicant, much less to a substitute form of collection if the application were denied. For example, if the application were denied, there would be no need to have a savings account to secure anything, much less credit any amount to the savings account. [See, Column 3, lines 12-24].

The Examiner has not indicated a motivation in the cited references that would suggest the proposed combination of Buchanan and Lalonde. Further, Lalonde and Buchanan do not teach features asserted by the Examiner. Accordingly, the proposed combination would not even provide for all of the features of any of Claims 10, 12, and 15. Applicants respectfully request the Examiner's reconsideration of the patentability of Claims 10, 12, and 15.

Claims 11 and 13 depend from Claims 10 and 12, respectively, and are believed to be patentable for at least the reasons stated herein with respect to Claims 10 and 12.

3. Claims 14 and 20

Accordingly, Applicants respectfully submit that the Examiner has failed to establish a *prima facie* case of obviousness with respect to Claims 14 and 20. Applicants respectfully request the Examiner's reconsideration of the Section 103(a) rejection of Claims 14 and 20.

Claims 14 and 20 stand rejected under 35 U.S.C. 103(a) as being unpatentable over Buchanan in view of Walker and U.S. Patent No. 5,878,139 issued to Rosen ("Rosen"). Applicants respectfully traverse the Examiner's Section 103(a) rejection of Claims 14 and 20.

Rosen generally describes a process by which a product may be returned. The Examiner asserts that it would have been obvious

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to incorporate the process of receiving a request to return a product, as taught by Rosen, and receiving an authorization to pay the purchase price and incentive amount, as taught by Walker into the system disclosed by Buchanan, to demonstrate that return transactions are well known and to provide and [sic] additional incentive to entice customers to open secured accounts.

[Office Action, page 6].

Applicants agree that the claimed embodiments would provide an additional incentive to customers to open a financial account in the context of a return product transaction. Applicants discuss this additional incentive to a "seller" who is to receive a payment and the benefit to a merchant (e.g., a referral fee from a financial institution) in the Specification. [See, e.g., page 4, lines 20-25; page 17, line 30 to page 18, line 6].

Unfortunately, the Examiner has effectively merely stated that the claimed embodiments would be advantageous, but has failed to provide any support in the evidence of record as to why it would have been obvious to select and combine the specific references in order to provide for the specific claimed features. None of the cited references even hints at the desirability of having a customer who is returning a product apply for a financial account to which the purchase price could then be paid, or an incentive amount to apply. Regrettably, it appears to Applicants that the Examiner has thus used impermissible hindsight in constructing the proposed combination of references to reject Claims 14 and 20.

For at least the reasons stated herein, Applicants respectfully request allowance of Claims 1-20.

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Application No.: 09/536,791
Attorney Docket No.: 99-086**Newly-Added Claims 21-40 Are Patentable Over the Cited References**

Newly-added Claims 21-40 are patentable over the Buchanan, Lalonde, Walker and Rosen references, alone or in combination, for at least the reasons presented herein.

None of the cited references teaches or suggests a feature generally directed to receiving an authorization to credit a first payment amount to a financial account applied for and providing that first payment amount to the applicant. Also, none of the references teaches or suggests either crediting a payment amount using a substitute form of collection or providing a second payment amount to an applicant if the application for a first financial account is denied. Specifically, none of the references teaches or suggests a method comprising:

- receiving an application for a first financial account from an applicant;
- receiving an authorization to credit a first payment amount to the first financial account;
- receiving information identifying a substitute form of collection;
- receiving an authorization to credit a second payment amount using the substitute form of collection if the application is declined;
- determining whether the application for the first financial account is approved; and
- providing the first payment amount to the applicant if the application is approved

as recited in new independent Claim 21; or

- receiving an application for a first financial account from an applicant;
- receiving an authorization to credit a first payment amount to the first financial account;
- receiving information identifying a substitute form of collection;
- receiving an authorization to credit a second payment amount using the substitute form of collection if the application is declined;
- determining whether the application for the first financial account is rejected; and
- providing the second payment amount to the applicant if the application is rejected

as recited in new independent Claim 34.

Claims 22-33 and 35-40 depend from Claims 21 and 34, respectively, and are believed to be patentable for at least the same reasons as Claims 21 and 34.

Further, the cited references do not teach or suggest wherein the authorization to credit the first payment amount comprises *an authorization to pay the applicant by crediting the first payment amount to the first financial account*, as recited in new Claim 26; or wherein the authorization to credit the second payment amount comprises *an authorization to pay the applicant by crediting the second payment amount using the substitute form of collection*, as recited in new Claim 28.

The cited references also do not teach or suggest wherein *providing a payment amount to an applicant* comprises *crediting the payment amount to the financial account applied for*, as generally recited in new Claim 30; or *crediting the payment amount using the substitute form of collection*, as generally recited in new Claim 35.

As discussed herein and described in the Specification, some embodiments of the present invention are directed to wherein the applicant for a financial account is a *seller*. None of the cited references hints or suggests that *an applicant is a seller of at least one item* (as recited in new Claims 22 and 36), much less *offering to list the at least one item for sale in exchange for a fee* (as recited in new Claims 23 and 37), much less *offering an incentive amount in exchange for*

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the applicant listing at least one item for sale and applying for the first financial account (as generally recited in new Claim 25). Similarly, none of the cited references suggest a step of finalizing a sale transaction between a buyer and an applicant for a financial account, as generally recited in new Claim 31.

For at least the reasons stated herein, Applicants respectfully submit that new Claims 21-40 are allowable.

Conclusion

It is submitted that all of the claims are in condition for allowance. The Examiner's early re-examination and reconsideration are respectfully requested.

Please charge any fees that may be required for this Amendment to Deposit Account No. 50-0271. Furthermore, should an extension of time be required, please grant any extension of time which may be required to make this Amendment timely, and please charge any fee for such an extension to Deposit Account No. 50-0271.

If the Examiner has any questions regarding this amendment or the present application, the Examiner is cordially requested to contact Michael Downs at telephone number (203) 461-7292 or via electronic mail at mdowns@walkerdigital.com.


Petition for Extension of Time to Respond

Applicants hereby petition for a ONE-month extension of time with which to respond to the Office Action. Please charge \$55.00 for this petition to our Deposit Account No. 50-0271. Please charge any additional fees that may be required for this Response, or credit any overpayment to Deposit Account No. 50-0271.

If an additional extension of time is required, please grant a petition for that extension of time which is required to make this Response timely, and please charge any fee for such extension to Deposit Account No. 50-0271.

Respectfully submitted,

January 12, 2004
Date



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